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CHINA'S ECONOMIC ACHIEVEMENTS
AND THE 1955 LEIPZIG SPRING FAIR

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China has always looked upon the Leipzig Fair as an event of major importance and has actively participated in it every year since 1951. This year [1955 Leipzig Spring Fair] China is glad to have the opportunity once again to give a comprehensive and systematic picture of its progress by means of the exhibits in its pavilion. This will undoubtedly contribute both to the exchange of technical experience and to the expansion of trade between China and the rest of the world.

The year 1954 was the second year of China's Five-Year Plan. Owing to the wise leadership of Chairman Mao Tse-tung and of the Communist Party and as a result of the generous assistance of the USSR and the People's Democracies, China has succeeded in fulfilling its goals. According to first [preliminary] official figures, the total 1954 production of industry and agriculture was 220 percent of 1949 production. Industrial production alone was 420 percent of 1949 production and now accounts for about 33 percent of China's total production. The achievements of the capital goods industry are particularly noteworthy; that industry's 1954 production was 570 percent of the 1949 production. The 1954 production of steel was 1,300 percent of the 1949 production; that of iron, 1,200 percent; that of cement, 700 percent; and that of metal-cutting machine tools, 900 percent.

During 1954, 300 large industrial enterprises were newly constructed or expanded. Of the 141 industrial projects being built with Soviet assistance, 17 have already been partially or fully completed; and the construction of 34 additional projects is in progress. The new installations include the heavy rolling mill, the seamless-tube rolling mill, and the steel sheet mill in the An-shan Metallurgical Combine [Iron and Steel Company], [equipment for] the Hai-chou Open Pit Mine in Fou-hsin, a linen factory and a measuring and cutting instrument factory in Harbin, the Northwest Cotton Mills, the first automobile factory, and power plants in Sian, Cheng-chou, Urumchi, etc.

Today, China produces many items which in the past it had been unable to produce, such as seamless tube, high-carbon steel, high-grade alloy steel, heavy steel rails, transportation equipment, and equipment for the textile industry. According to incomplete data, China produced 1,900 different types of machines during 1954, including 6,000-kilowatt hydroelectric generators, 110-kilovolt transformer substations, 20,000 kilovolt-ampere transformers, heavy lathes with a center height of 500 millimeters, medium-size parallel-planing machines with a 4-meter table, universal milling machines equipped to operate at 18 different speeds and with a maximum cutting speed of 1,500 revolutions per minute, drilling installations for drilling up to a depth of 1,000 meters, large X ray apparatus, up-to-date coal mining machines, etc.

Because of China's extraordinary requirements -- resulting from its efforts to build up its economy -- it has to import from foreign countries large quantities of materials and machinery, particularly complete installations and equipment for industrialization which it cannot produce domestically. Furthermore, the rising demands of the population have necessitated imports of consumer goods to meet these demands. Since these needs continue to grow, the volume of imports will increase, not decrease.

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According to initial reports, the value of 1954 imports was about 18 percent higher than the value of 1953 imports. Compared with 1953, imports of railroad cars, oil, machines, and certain nonferrous metals rose by more than 40 percent; imports of chemical products, by 33 percent; and imports of consumer goods, by about 17 percent. These imports had considerable influence on China's development and such imports will be one of the important prerequisites for the socialist industrialization of China in the future too.

Agriculture has also made progress during 1954 in spite of the fact that fairly large areas had floods. On the one hand, the energetic use of the masses under the direction of the party and the government made it possible to keep water damage within bounds; on the other hand, the rural population in the areas not affected by the floods took the initiative to achieve greater production. Work organization and work technique improved as a result of the establishment of additional mutual aid teams and other measures. The rural handicraft industry had also benefited from the socialist transformation which is in progress. In spite of the flood disaster, China's total 1954 grain harvest was about 3 percent greater than in 1953. In spite of rising demand for grain, China is able to meet its own needs and, on top of that, to export considerable quantities.

Furthermore, the mobilization of internal reserves made additional export capacities available. Thus, China's 1954 export volume was about 14 percent greater than in 1953. Exports of foodstuffs were 93 percent above the 1953 figure; other agricultural products, 30 percent; silk and tea, about 20 percent each; and minerals, 12 percent above the 1953 figure. Along with the development of China's economy, the assortment of China's export offers will increase.

During 1954, China has further expanded its trade with the USSR and the People's Democracies. The mutual assistance and cooperation, the friendly solidarity existing with all these countries, have furthered the economic progress of all. Compared with 1953, the 1954 exchange with the USSR was about 26 percent larger; that with the European People's Democracies, about 29 percent; and that with the Asiatic People's Democracies, about 96 percent.

The value of China's 1954 trade with the GDR exceeded the 1953 trade by 63 percent. From the GDR, China obtained machinery and production equipment as well as products of the chemical and precision instrument industries. In return, China delivered various agricultural products and minerals which are needed by the GDR to raise its standard of living and to expand industrial production.

China is also greatly interested in trade with West Germany and is ready to develop such trade on the basis of equality and mutual advantage. China's attitude has been clearly stated in the communique published in July 1954 during Premier Chou En-lai's visit to the GDR. It is felt that the 1955 Leipzig Spring Fair will promote not only the trade relations between the GDR and China but will also contribute to the expansion of trade between West Germany and China.

As far as China's economic relations with the capitalistic countries are concerned, China has been guided by the principle of equality and mutual advantage in this case too. During the Geneva Conference, Chinese officials established close contact with representatives of West European industrial and commercial interests; Chinese delegations which were sent to England and Belgium contributed to better mutual understanding and established certain connections. During the second half of 1954, industrialists and businessmen from England, the Netherlands, Argentina, etc., one after the other, came to China, conferred with Chinese officials, and agreed to a number of business transactions. China concluded a firm agreement and supplementary protocol with Finland, by which it was possible to achieve a considerable increase in the volume of trade with that country.

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Among the Asiatic countries, China has now concluded a trade agreement with India, which is based on the five principles on which the premiers of the two countries had agreed in the summer of 1954. Prior to that there had been a contract for the purchase of tobacco from India. In addition, there were agreements with Burma and Indonesia as well as the renewal of contracts with Ceylon concerning the exchange of rice for rubber. Imports from and exports to Japan in 1954 were more than double the respective 1953 figures.

These few facts underline the value of the widespread efforts in the capitalistic countries to renew and develop trade with China. Western industrialists and businessmen must realize that in the final analysis only their own economy is suffering if they submit to the US trade restrictions and hate-inspired blockade policies against China.

The aggressive circles of the US force the governments of some countries, against the expressed desires of their people, to continue the export embargo. As a result, the industrial and commercial circles in the countries concerned are unable to fulfill the contracts concluded with China in full and thus those countries' economies are suffering. If the artificial obstacles are removed and normal conditions are created, then China's trade with Western countries will undoubtedly experience an even greater expansion.

China has always attached great importance to international economic relations and has made untiring efforts in this respect. And China will continue this attitude, so that trade between East and West will be placed on a normal basis. The 1955 Leipzig Spring Fair, which permits China to establish far-reaching contacts with Western industrial and commercial circles, will help China in achieving this aim.

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